



COUNTY OF SAN DIEGO

LAND USE AGENDA ITEM

BOARD OF SUPERVISORS

GREG COX
First District

DIANNE JACOB
Second District

PAM SLATER-PRICE
Third District

RON ROBERTS
Fourth District

BILL HORN
Fifth District

DATE: January 12, 2011

TO: BOARD OF SUPERVISORS

SUBJECT: Transportation Impact Fee Five Year Review and Annual Report – 2009/ 2010
(DISTRICT: ALL)

SUMMARY:

Overview

On September 29, 2010 (3), the Board of Supervisors directed the Chief Administrative Officer to return to the Board within 90 days with an overall progress report and review of the initial five years of the Transportation Impact Fee (TIF) program including the Fiscal Year 2009-10 state mandated Annual Report for fees collected. Included in the action were specific requests for information: the amount collected since the inception of the TIF program; how those funds have been spent; the current status of any remaining funds; an overview of the Opt Out provision within the program and recommendations to improve the TIF program.

The Board also directed the Chief Administrative Officer to work with Valley Center Shopping Center representatives (Bell Enterprises) to determine possibilities for a viable Opt Out option to address cumulative traffic impacts by a method other than paying the TIF for this project and for other projects.

This is a request to receive a staff report and presentation on the five-year status of the TIF, including responses to information requested by the Board, and receipt of the Fiscal Year 2009-10 TIF annual report in accordance with state law.

Recommendation(s)

CHIEF ADMINISTRATIVE OFFICER

1. Receive the progress report and review of the initial five years of the Transportation Impact Fee (TIF) program.
2. Receive the Fiscal Year 2009-10 Annual Report in compliance with state of California Mitigation Fee Act.

Fiscal Impact

Receipt of this report will have no fiscal impact.

Business Impact Statement

N/A

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Advisory Board Statement
N/A

BACKGROUND:

The California Environmental Quality Act (CEQA) guidelines were amended in 2002 as a result of a lawsuit. The amendment, among other things, eliminated local agencies' ability to consider cumulative traffic impacts that were determined to be insignificant for any single project. The new guidelines require all development generating additional vehicle trips to assess cumulative impacts and mitigate those impacts. The result is that small projects, such as minor subdivisions, would be required to perform extensive traffic analysis that could result in costly road improvement requirements in order to comply with state law. It can also be very difficult to identify mitigation measures proportionate to the project at are buildable. For example, if the developer's fair share of a road is about 20% of a single road lane, the developer cannot build 20% of a lane. If the improvements cannot be made, an EIR, along with a Statement of Overriding Considerations, would be required to approve the project. The cost of CEQA requirements would make most projects, especially small to mid-sized projects, financially infeasible.

In response to the change in CEQA requirements, the Board directed staff to create a program to provide an option for development to pay a fair share toward future road improvements to address cumulative traffic impacts. The fair share payment provides an alternative to requiring traffic analyses and road improvements prior to development occurring. A project's fair share contribution is combined with other fair share contributions to pay for road improvements to address cumulative impacts in accordance with state law.

The TIF for each project is deposited into a local or regional fund to be used to defray costs for traffic facilities necessary to accommodate increased traffic generated by future development. If for example, TIF is used for a large road improvement project, the TIF fund may only be used to cover the costs associated with development growth: the fund may not be used for existing deficiencies. For example, in some areas the TIF may only provide 17 percent of the cost of the total road improvement. For those road improvements, other public funds must finance the remaining project funding need. When TIF is combined with public funds to address existing capacity deficiencies, resources will be sufficient to provide a transportation system that operates at an acceptable level of service throughout Unincorporated San Diego County.

The TIF ordinance includes an "Opt Out" provision. In lieu of paying the TIF, a developer may chose to prepare cumulative traffic studies in accordance with CEQA guidelines. The cumulative traffic analysis must be reviewed and approved by the Director, Department of Public Works. Once approved, the traffic analysis must be incorporated into an appropriate environmental document.

This letter includes four sections to address the Board's direction from the September 29, 2010 (3) Board meeting:

- A Five year Overview of the TIF Program

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- Alternatives to paying TIF
- The TIF Update and improvements that can be made to TIF
- A progress report on Bell Enterprises and its proposed Valley Center Shopping Center.

Five Year Overview – Responses to Board Inquiries

TIF is collected for both local and regional transportation projects. There are 23 local areas and three regions, and intermingling is not allowed. The overall future transportation network cost in the current TIF program is Our TIF roadway network is 244 lane miles and will cost \$826 million to construct (in 2008 dollars). Since its inception in 2005, the County has collected \$24.1 million in TIF fees and interest, which is roughly 3 percent of the total needed for the TIF portion of funding for the future network. Collections have varied greatly and have slowed with the economy. Even so, staff has executed pre-construction work on 27 different projects, with one, State Route 76, having been constructed through a reimbursement agreement. Approximately \$12.6 million has been spent on various projects with \$6.3 million on project development and \$6.3 million on construction. The balance, collection, and expenditures in each planning area are included in Attachment A, which is the Annual TIF Report.

Alternatives to Paying Transportation Impact Fees

- What are the parameters for the “Opt Out”?
TIF payment is not required for projects that prepare cumulative traffic studies and construct road improvements necessary to address those impacts in accordance with state law. Opting out of the TIF program is not an alternative that eliminates or reduces a project’s requirement to fully mitigate its cumulative traffic impacts under CEQA.
- How many applicants have attempted to use the Opt Out option?
The County has had one inquiry concerning Opt Out for a proposed shopping center project in Valley Center (Bell Enterprises).
- What is the status of those applications?
Bell Enterprises has not submitted an official project application to the Departments of Planning and Land Use and Public Works. More about this particular developer is included below.
- Is it possible or even practical to Opt Out of the TIF?
It is possible to Opt Out of the TIF program. However, the cost of addressing cumulative traffic impacts in accordance with state law is almost always more costly than paying the TIF.
- What do other jurisdictions do?
Staff has looked at other jurisdictions in the state, and has not identified any other jurisdictions with a formal “Opt Out” program. Developers not wanting to pay TIF are

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treated on a case by case basis to ensure that whatever studies and mitigations the developer proposes meets CEQA requirements.

Comprehensive TIF Program Update and Alignment with the General Plan Update

At the September 29th Board hearing, your Board asked staff to explore potential TIF Program improvements. Staff has retained a consultant and is currently in the process of updating the current TIF program to align with the pending General Plan update.

The program update objectives are as follows:

- Update the program to incorporate the County of San Diego General Plan Update (GPU) land use plan and Mobility Element roadway network.
- Maintain an impact fee program that is consistent with CEQA requirements and provides adequate mitigation for all cumulative traffic impacts caused by future development within the unincorporated area.
- Analyze and develop alternatives for fee rate reductions.

The TIF program update will also evaluate the following:

- Potentially incorporating Vehicle Miles Traveled (VMT) into the fee calculation methodology.
- Creating incentives to encourage smart growth development within Village Core areas.
- Ensure consistency with building permit land use naming conventions.
- Assessing the effect on total program costs due to changes in the GPU Mobility Element which includes several Circulation Element roadways that are proposed to be deleted or downgraded in classification.

Until the TIF program is updated, the current TIF program will remain in place. Effective January 1, 2011 TIF rates will be increased 2.0% to reflect the 1.9% CCI September 2009-2010 index.

Bell Enterprises and Valley Center Shopping Center

As directed by the Board, County staff held a series of meetings with the Valley Center Shopping Center representatives (Bell Enterprises) since the September 29, 2010 Board hearing. The result is a clear direction on the process and requirements for a project specific opt out cumulative traffic analysis and subsequent implementation of improvements which satisfy state law instead of paying the TIF. Staff will continue to work with project representatives as a pilot project to establish process parameters for similar projects in the future. The County has not begun to evaluate any other issues that the potential project may have (e.g. CEQA, direct traffic impacts, drainage, sewer, etc.), because Bell Enterprises has not submitted a project application. It is not known at this time whether or not an Environmental Impact Report EIR will be required for the proposed project.

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Environmental Statement

The requested action is not a project as defined in California Environmental Quality Act Guidelines Section 15378 because it does not have the potential to result in either direct or indirect physical change in the environment. The Board of Supervisors action on December 8, 2010 is limited to receiving the Annual Report and additional presentation.

Linkage to the County of San Diego Strategic Plan

The County's Strategic Plan includes initiatives that promote safe and livable communities as well as protecting the environment. The TIF program is consistent with these initiatives by providing adequate funding for the development of capital facilities necessary to serve new residential and commercial/industrial development.

Respectfully submitted,

SARAH E. AGHASSI
Deputy Chief Administrative Officer

ATTACHMENT(S)

Report to the San Diego County Board of Supervisors: Transportation Impact Fee Annual Report for Fiscal Year 2009-2010

SUBJECT: Transportation Impact Fee Five Year Review and Annual Report – 2009/2010
(District: ALL)

AGENDA ITEM INFORMATION SHEET

REQUIRES FOUR VOTES: ☐ Yes ☒ No

PREVIOUS RELEVANT BOARD ACTIONS:

September 29, 2010 (3): Directed the Chief Administrative Officer (CAO) to return back to the Board within 60 days with the 2009/2010 annual report for the TIF program. The report should include, but not be limited to the following: the amount collected since the inception of the TIF program; where those funds have been spent; the current status of any remaining funds; an overview of the Opt Out provision within the program and any recommendations to further improve the TIF program.

February 27, 2008 (11): Amended Ordinance Related to the Transportation Impact Fee and Adopt a Resolution Funding Regional Transportation Congestion Improvement Program.
(Districts: All)

December 14, 2005 (14), Amend Ordinance Related to the Transportation Impact Fee and Adopt a Resolution Funding Regional Transportation Congestion Improvement Program.

October 19, 2005 (8): Added state Route 76 to North Region Transportation Impact Fee and reviewed draft policy on reduction of Transportation Impact Fees for Commercial Private Development Projects.

April 20, 2005 (10): Adopted Transportation Impact Fees for Fallbrook, Ramona, and remaining Unincorporated County areas and Authorized participation in the SCIP Financing Program.

BOARD POLICIES APPLICABLE:

N/A

BOARD POLICY STATEMENTS:

N/A

ORACLE AWARD NUMBER(S) AND CONTRACT AND/OR REQUISITION NUMBER(S):

N/A

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AGENDA ITEM INFORMATION SHEET

(continued)

CONCURRENCE(S):

COUNTY COUNSEL REVIEW ☒ Yes

Written disclosure per County Charter

\$1000.1 required? ☐ Yes ☒ No

GROUP/AGENCY FINANCE DIRECTOR ☒ Yes ☐ N/A

CHIEF FINANCIAL OFFICER ☒ Yes ☐ N/A

**GROUP/AGENCY INFORMATION
TECHNOLOGY DIRECTOR** ☐ Yes ☒ N/A

COUNTY TECHNOLOGY OFFICE ☐ Yes ☒ N/A

**Group/Agency Human
Resources Director** ☐ Yes ☒ N/A

DEPARTMENT OF HUMAN RESOURCES ☐ Yes ☒ N/A

Other Concurrence(s): N/A

ORIGINATING DEPARTMENT: Public Works

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AUTHORIZED

REPRESENTATIVE:

RICHARD CROMPTON, Director



County of San Diego
Transportation Impact Fee and
Regional Transportation Congestion Improvement Program
Annual Report
July 2009– June 2010

The Board adopted the TIF program on April 20, 2005 (10), and the program became operative on June 19, 2005. On February 27, 2008 (11) the Board adopted an update to the TIF program, which went into effect on April 27, 2008. The California Environmental Quality Act (CEQA) guidelines were amended in 2002 as a result of a lawsuit. The amendment changed the way in which a project must be analyzed to determine cumulative significant impact. In response to this amendment to CEQA, the County of San Diego developed the Transportation Impact Fee.

The Transportation Impact Fee (TIF) program allows development, large and small, to mitigate cumulative traffic impacts by allowing developers to pay a fee. Without TIF, developers would be required to make improvements to mitigate all of its cumulative impacts. If a developer cannot make the improvements, an EIR, along with a Statement of Overriding Considerations for unmitigable impacts would be required for the County to consider when approving a project.

When combined with public funds to address existing capacity deficiencies, the TIF ensures there will be resources to provide a transportation system that operates at an acceptable level of service throughout the unincorporated county. To ensure integrity, execution and transparency, State law requires the County to publish an annual TIF summary report within 180 days of the fiscal year end. This report satisfies that reporting requirement and was prepared in accordance with State requirements and Government Code (GC) §66006(b)(1), et seq.

The TransNet Extension Ordinance, administered by SANDAG and approved by voters on November 2, 2004, requires that starting July 1, 2008, the County exact \$2,000 from new developments for each newly constructed residential unit in the unincorporated areas of the County to fund the County Regional Transportation Congestion Improvement Program (RTCIP). The exaction amount shall be adjusted without further action of the Board of Supervisors. The current RTIP minimum collection amount is \$2,040 per residential unit. The County's existing TIF program is the Funding Program that fulfills this requirement. This annual report contains RTCIP collection and expenditure information and satisfies the annual RTCIP reporting requirements.

This report summarizes the following information as required by the government code.

- A. Brief description of the type of fee in the fund
- B. Amount of fee
- C. Beginning and ending balance of the fund
- D. Amount of fees collected and interest earned
- E. Identification of projects on which fees were expended including the total percentage of the cost that was funded with fees
- F. Approximate date by which construction of the improvements will commence
- G. Description of each interfund transfer or loan made
- H. Amount of refunds
- I. Regional Transportation Congestion Improvement Program (RTCIP)

The Board of Supervisors (BOS) shall review the information contained in this report not less than 15 days after this information is made available to the public per GC66006(b)(2). A copy of this report is available at the office of the Clerk of the Board located at **1600 Pacific Highway, Room 402, San Diego, CA 92101** and on the County of San Diego Department of Public Works Land Development Division's TIF website that can be located at <http://www.sdcountry.ca.gov/dpw/land/tif.html>

A) DESCRIPTION OF FEE (Gov Code § 66006 (b)(1)(A))

The Transportation Impact Fee (TIF) Ordinance enables the assessing and collecting of fees from future development to offset the construction costs of planned transportation facilities necessary to accommodate increased traffic generated by future development. The TIF is consistent with §66000 et seq. of the California Government Code (Mitigation Fee Act). The TIF is assessed and collected at issuance of a development permit, including a building permit, to proportionally provide the funding necessary to mitigate the cumulative impacts due to increased traffic generated by future development.

The TIF collects funds based on local and regional facility needs. Local facilities are classified as Collector (or below) and are roads that benefit the local community in which they are located. There are twenty-three local TIF areas throughout the County.

TABLE A.1 – TIF LOCAL AREAS

No	Local No	Description	No	Local No	Description
1	7028	Sweetwater	13	7043	Pendleton Deluz
2	7029	Spring Valley	14	7044	Pala Pauma
3	7030	San Dieguito	15	7045	Otay
4	7034	Alpine	16	7046	Valley Center
5	7035	Crest Dehesa	17	7047	North County Metro
6	7036	Fallbrook	18	7048	Lakeside*
7	7037	Julian	19	7049	Jamul Dulzura
8	7038	Mountain Empire	20	7050	Desert
9	7039	North Mountain	21	7051	County Islands
10	7040	Valle De Oro	22	7052	Central Mountain
11	7041	Ramona	23	7053	Bonsall
12	7042	Rainbow			

* includes Pepper Dr-Bostonia

Regional facilities are roads classified above Collector status; such as Prime Arterials, Major roads, state routes and other regionally significant facilities which benefit both the community and surrounding areas and are part of the Regional Arterial System, as defined by SANDAG. The three regions in the County are the North, South and East regions.

TABLE A.2 – TIF REGIONAL AREAS

No	Regional No	Description
1	7031	North
2	7032	South
3	7033	East

Freeway Ramps are classified as Freeway Ramp North, South, and East. As part of the April 2008 TIF update, the County identified specific Freeway ramp interchanges and at-grade highway intersections are to be funded in part by the TIF program. These facilities were not included in the Prior Reports. Based on currently available traffic data, a number of freeway ramp interchanges and at-grade highway intersections were identified as necessary to accommodate growth.

TABLE A.3 – TIF FREEWAY RAMP AREAS

No	Freeway Ramp No	Description
1	9634	Freeway Ramp North
2	9635	Freeway Ramp South
3	9636	Freeway Ramp East

B) AMOUNT OF FEE (Gov Code § 66006 (b)(1)(B))

Below are tables of TIF amounts. Per Ordinance, Sec 77.213 Adjustment of Fees, the fee rate shall be adjusted annually without further action of the Board of Supervisors, starting on January 1, 2006, and on each January 1st thereafter. The adjusted rate shall be applied to a calendar year. The annual fee adjustment is required by SANDAG to comply with the RTCIP.

Detailed TIF calculation and program information are on the County's website at <http://www.sdcounty.ca.gov/dpw/land/tif.html> or available at the Department of Public Works (DPW) Land Development Division at 5201 Ruffin Road, Suite D, San Diego, CA 92123.

TABLE B.1 - RESIDENTIAL TIF FEES – As of January 1, 2010

TIF AREA	COST PER SINGLE FAMILY DETACHED (SFD) RESIDENTIAL UNIT			
	Freeway Ramp	Local	Regional	Total
Alpine	\$159	\$1,922	\$3,494	\$5,575
Bonsall	\$44	\$6,696	\$6,303	\$13,043
Central Mountain	\$3	\$0	\$2,329	\$2,332
County Islands	\$159	\$0	\$3,494	\$3,653
Crest-Dehesa	\$159	\$1,069	\$3,494	\$4,722
Desert	\$3	\$331	\$2,330	\$2,664
Fallbrook	\$44	\$6,454	\$6,303	\$12,801
Jamul-Dulzura	\$159	\$2,317	\$3,494	\$5,970
Julian	\$3	\$0	\$2,329	\$2,332
Lakeside *	\$159	\$4,278	\$3,494	\$7,931
Mountain Empire	\$3	\$0	\$2,329	\$2,332
North County Metro	\$44	\$1,820	\$6,303	\$8,167
North Mountain	\$3	\$0	\$2,329	\$2,332
Otay	\$159	\$700	\$3,494	\$4,353
Pala-Pauma	\$44	\$1,248	\$6,303	\$7,595
Pendleton-De Luz	\$44	\$8	\$6,303	\$6,355
Rainbow	\$44	\$4,735	\$6,303	\$11,082
Ramona	\$3	\$6,301	\$2,330	\$8,634
San Dieguito	\$44	\$3,437	\$6,303	\$9,784
Spring Valley	\$159	\$700	\$3,494	\$4,353
Sweetwater	\$159	\$1,387	\$3,494	\$5,040
Valle de Oro	\$159	\$4,888	\$3,494	\$8,541
Valley Center	\$44	\$2,724	\$6,303	\$9,071

* Lakeside includes Pepper Dr-Bostonia

To determine the TIF for other residential land uses other than single-family detached (SFD) residential units, the following formula is used:

- (1) Multi-family attached home, condominium, apartment, and lodging including hotel rooms and time-share units, and accessory apartment (granny flat): 67% of SFD fee per unit
- (2) Mobile home, agricultural labor residential (non-primary residence), and retirement community: 33% of SFD fee per unit
- (3) Congregate Care Facility for persons unable to care for themselves: 20% of SFD fee per unit

For residential projects, credits may be available for direct impact improvements constructed to improve a TIF roadway facility or an alternative TIF facility.

B.1) REGIONAL TRANSPORTATION CONGESTION PROGRAM (RTCIP)

The Regional Transportation Congestion Program (RTCIP)¹ requires the County to collect a minimum amount per residential unit on average for residential new construction. The minimum collection amount for fiscal year 2009-10 is \$2,040 per residential unit, and the County's overall average collection per residential unit was \$4,688. The average collected Regional Residential TIF amount across all TIF areas is sufficient to satisfy the collection requirements for the fiscal year 2009-10 RTCIP ordinance.

TABLE B.2 - NON-RESIDENTIAL TIF FEES – As of January 1, 2010

General Commercial TIF fee = Cost per 1,000 Square Foot multiplied by the Facility Floor Square Footage divided by 1,000

TIF AREA	COST PER 1,000 SQUARE FOOT FOR GENERAL COMMERCIAL			
	Freeway Ramp	Local	Regional	Total
Alpine	\$495	\$5,756	\$3,545	\$9,796
Bonsall	\$114	\$20,050	\$3,125	\$23,289
Central Mountain	\$9	\$0	\$5,374	\$5,383
County Islands	\$495	\$0	\$5,871	\$6,366
Crest-Dehesa	\$495	\$3,201	\$4,574	\$8,270
Desert	\$9	\$991	\$5,375	\$6,375
Fallbrook	\$114	\$19,324	\$3,431	\$22,869
Jamul-Dulzura	\$495	\$6,937	\$3,048	\$10,480
Julian	\$9	\$0	\$5,374	\$5,383
Lakeside *	\$495	\$12,807	\$686	\$13,988
Mountain Empire	\$9	\$0	\$5,374	\$5,383
North County Metro	\$114	\$5,451	\$9,033	\$14,598
North Mountain	\$9	\$0	\$5,374	\$5,383
Otay	\$495	\$2,097	\$5,032	\$7,624
Pala-Pauma	\$114	\$3,735	\$9,720	\$13,569
Pendleton-De Luz	\$114	\$38	\$11,206	\$11,358
Rainbow	\$114	\$14,179	\$5,488	\$19,781
Ramona	\$9	\$17,001	\$0	\$17,010
San Dieguito	\$114	\$10,292	\$7,051	\$17,457
Spring Valley	\$495	\$2,097	\$5,032	\$7,624
Sweetwater	\$495	\$4,154	\$4,154	\$8,803
Valle de Oro	\$495	\$14,598	\$0	\$15,093
Valley Center	\$114	\$8,157	\$7,928	\$16,199

* Lakeside includes Pepper Dr-Bostonia

¹ Additional information on the Regional Transportation Congestion Program (RTCIP) can be found in Section 9 of the TransNet Ordinance.

To determine the TIF for other non-residential commercial and industrial land uses other than general commercial, the following formula shall be used:

- (1) Furniture Stores: 14% of general commercial fee
- (2) General Industrial: 37% of general commercial fee
- (3) Storage, Warehousing, Wineries, Non-residential Agricultural: 14% of general commercial fee
- (4) Offices: 56% of general commercial fee
- (5) Schools and Government/Institutional: 32% of general commercial fee

Direct Improvement Credits for non-residential developments have already been included in the County's overall program for non-residential TIF rates. Therefore direct improvement costs for improvements to TIF roadway facilities or alternate TIF facilities shall not be used as a TIF credit or reduction for non-residential development. The non-residential TIF fee shall be computed based on the applicable TIF rate for the primary use of a building or the primary use of each individual storefront for mixed use buildings.

B.2) SELECT INDUSTRIAL

Some select industrial uses generate traffic but do not construct facilities of a size that will generate a TIF payment to adequately mitigate the project's traffic impacts. These select industrial uses include but are not limited to: quarry operations, mining operations, borrow pit operations, landfill operations, and concrete and asphalt production facilities including batch plants. For these industrial uses, they shall perform a traffic study to determine the traffic impacts of their project. The traffic study shall specifically convert heavy vehicle trips to Passenger Vehicle Equivalent trips. These industrial projects' TIF payment shall be calculated using the applicable total cost-per trip from the table below multiplied by the expected number of average daily trips (ADT) their project will generate. Credits and reductions shall be as shown for non-residential developments in Section 77.208.2. Costs in the table below will be updated annually as shown in Section 77.213 Adjustment of Fees.

TABLE B.3 - SELECT INDUSTRIAL TIF FEES – As of January 1, 2010

TIF Payment = Cost/trip X Number of Average Daily Trips

TIF AREA	COST PER TRIP FOR SELECT INDUSTRIAL USES			
	Freeway Ramp	Local	Regional	Total
Alpine	\$12	\$160	\$100	\$272
Bonsall	\$3	\$558	\$86	\$647
Central Mountain	\$0	\$0	\$149	\$149
County Islands	\$12	\$0	\$164	\$176
Crest-Dehesa	\$12	\$89	\$128	\$229
Desert	\$0	\$28	\$149	\$177
Fallbrook	\$3	\$538	\$94	\$635
Jamul-Dulzura	\$12	\$193	\$86	\$291
Julian	\$0	\$0	\$149	\$149
Lakeside *	\$12	\$357	\$20	\$389
Mountain Empire	\$0	\$0	\$149	\$149
North County Metro	\$3	\$152	\$251	\$406
North Mountain	\$0	\$0	\$149	\$149
Otay	\$12	\$58	\$141	\$211
Pala-Pauma	\$3	\$104	\$269	\$376
Pendleton-De Luz	\$3	\$1	\$312	\$316
Rainbow	\$3	\$394	\$152	\$549
Ramona	\$0	\$472	\$0	\$472
San Dieguito	\$3	\$286	\$196	\$485
Spring Valley	\$12	\$58	\$141	\$211
Sweetwater	\$12	\$115	\$118	\$245
Valle de Oro	\$12	\$407	\$0	\$419
Valley Center	\$3	\$227	\$219	\$449

*Lakeside includes Pepper Dr-Bostonia

C) BEGINNING AND ENDING BALANCE OF FUND (Gov Code § 66006 (b)(1)(C))

The total TIF funds available, after expenditures, at the end of fiscal year 2009-10 are \$13,449,940.

TABLE C.1 – FISCAL YEAR 2009-10 TIF BEGINNING AND ENDING BALANCE

TIF AREA	Beginning Balance (JUL-09)	Ending Balance (JUN-10)
NORTH *	\$ 6,689,113	\$ 135,831
SOUTH *	2,872,593	2,995,997
EAST *	1,831,692	1,530,300
ALPINE	195,324	208,970
BONSALL	385,964	366,173
CENTRAL MOUNTAIN	-	-
COUNTY ISLANDS	-	-
CREST DEHESA	45,028	49,789
DESERT	48,535	49,561
FALLBROOK	1,990,056	2,139,383
JAMUL DULZURA	228,198	253,257
JULIAN	-	-
LAKESIDE	668,657	910,283
MOUNTAIN EMPIRE	-	-
NORTH COUNTY METRO	133,214	172,517
NORTH MOUNTAIN	-	-
OTAY	96,808	97,997
PALA PAUMA	45,433	57,351
PENDLETON DELUZ	157	159
RAINBOW	72,731	75,139
RAMONA	1,108,120	1,203,461
SAN DIEGUITO	1,060,985	977,227
SPRING VALLEY	70,509	72,234
SWEETWATER	23,538	25,214
VALLE DE ORO	1,504,600	1,581,278
VALLEY CENTER	513,452	532,068
FREEWAY RAMP NORTH	7,978	13,629
FREEWAY RAMP SOUTH	38,963	1,571
FREEWAY RAMP EAST	395	552
	19,632,043	13,449,940

*North, South, and East Regions include RTCIP collections and expenditures effective 7/1/2008.

D) FEES COLLECTED AND INTEREST EARNED (Gov Code § 66006 (b)(1)(D))

The table below shows the amount of fees collected and interest earned for each TIF Area for fiscal years 2008-09 and 2009-10. Collection amounts for North, South, and East Regional Areas starting in fiscal year 2008-09 includes RTCIP collections for residential units. The fees collected in fiscal year 2009-10 were \$2,303,075 and the interest earned was \$208,331.

TABLE D.1 – FISCAL YEAR 2008-09 AND 2009-10 TIF AMOUNTS COLLECTED AND INTEREST EARNED

TIF AREA	COLLECTIONS FY 09-10	INTEREST FY 09-10 ⁽²⁾	INTEREST	COLLECTIONS FY 08-09	INTEREST FY 08-09
			ACCRUAL FY 09-10 ⁽¹⁾		
NORTH**	738,283	5,184	277	695,214	194,146
SOUTH**	152,243	70,782	6,116	453,799	70,782
EAST**	77,074	49,603	3,124	140,305	49,603
ALPINE	11,182	5,264	427	7,995	5,264
BONSALL	27,339	10,713	747	44,688	10,713
CENTRAL MOUNTAIN	-	-	-	-	-
COUNTY ISLANDS	-	-	-	-	-
CREST DEHESA	4,194	1,236	102	1,008	1,236
DESERT	427	1,295	101	2,820	1,295
FALLBROOK	356,841	50,743	4,367	356,509	50,743
JAMUL DULZURA	24,380	5,766	517	32,173	5,766
JULIAN	-	-	-	-	-
LAKESIDE	476,457	13,885	1,858	206,793	13,885
MOUNTAIN EMPIRE	-	-	-	-	-
NORTH COUNTY METRO	39,214	4,514	352	21,034	4,514
NORTH MOUNTAIN	-	-	-	-	-
OTAY	-	459	200	96,349	459
PALA PAUMA	11,334	1,232	117	2,352	1,232
PENDLETON DELUZ	-	5	0	11	5
RAINBOW	1,502	1,608	153	18,303	1,608
RAMONA	149,556	25,650	2,457	352,133	25,650
SAN DIEGUITO	128,552	27,779	1,995	97,097	27,779
SPRING VALLEY	856	1,951	147	218	1,951
SWEETWATER	1,387	616	51	1,334	616
VALLE DE ORO	57,937	37,132	3,228	215,162	37,132
VALLEY CENTER	14,865	13,770	1,086	30,956	13,770
FREEWAY RAMP NORTH	5,659	140	28	5,009	140
FREEWAY RAMP SOUTH	23,662	318	3	35,383	318
FREEWAY RAMP EAST	154	5	1	338	5
	2,303,075	329,629	27,456	2,816,984	518,611

** These regions includes RTCIP fees under new residential land use category, effective 7/1/08.

* Note: (1) The fourth quarter accrued interest earned in an amount of \$27,456.01 will be receive in Fiscal Year 2010-11.

(2) Interest FY 09-10, calculation was based on the YTD balance amount.

E) EXPENDITURES (Gov Code § 66006 (b)(1)(E))

During fiscal year 2009-10, the Road Fund was reimbursed \$2,427,706 from TIF collections for Capital Improvement Program (CIP) expenditures on eligible TIF roadway facilities. Fourth quarter CIP reimbursement from TIF collections is \$639,692 which was accrued in fiscal year 2009-10 and will be reimbursed in fiscal year 2010-11. Total TIF expenditures since the TIF program inception are \$6,298,751; these costs include expenditures in prior years, fiscal year 2009-10, and for fourth quarter expenditures to be reimbursed in fiscal year 2010-11. The table below shows the TIF and RTCIP amounts expended for CIP projects and the actual percentage of TIF funding on the project at this time.

TABLE E.1 – FISCAL YEAR 2009-10 TIF EXPENDITURES

Project Description	RTCIP - FUNDED	TIF AREA	Prior Yrs TIF Actual Costs Reimb	TIF Actual Costs Reimb in FY09-10	TIF Accrued Costs to be Reimb in FY10-11	Total TIF/RTCIP REIMB	Total CIP Costs	TIF % of Proj Cost
Cole Grade Rd	YES	North	227,093	2,981		230,073	618,968	37%
* South Santa Fe North	YES	North	424,374	872,693	67,916	1,364,983	22,029,290	6%
Rancho Santa Fe Roundabouts	YES	North	155,772	1,718		157,490	580,897	27%
South Santa Fe South (Phase II)	YES	North	25,341	1,658		26,999	339,042	8%
Bear Vly Pkwy N	YES	North	629,161	214,060		843,221	1,791,961	47%
Bear Vly Pkwy S	YES	North	75,932	-		75,932	75,932	100%
SR76 Granite Construction	NO	North	6,931	903		7,834	17,587	45%
Mission and Ranger	YES	North	5,426	-		5,426	5,492	99%
Bradley Ave / SR 67	NO	S. FwY Ramp	-	57,333		57,333	57,333	100%
Bradley Ave / SR 67	NO	Lakeside	39,963	210,630	121,512	372,105	1,572,467	24%
Lone Star Rd 1C1011	YES	South	20,913	5,335		26,248	131,071	20%
** Otay Mesa Rd	YES	South	10,015	95,814	55,001	160,830	160,830	100%
Lone Star Road	NO	South	466	-		466	466	100%
*** Dye Road Extension	YES	East	142,034	297,324	83,897	523,255	1,454,179	36%
*** San Vicente Rd South I	YES	East	125,511	98,781	78,914	303,207	2,007,287	15%
San Vicente Rd South II (East)	NO	East	65,924	-		65,924	65,924	100%
Southern Traffic Bypass	YES	East	327	27		354	1,062	33%
Camino Del Rey Old River Rd	NO	Bonsall	144,417	51,716	85,296	281,429	281,429	100%
Knottwood Way	NO	Fallbrook	2,380	164,313	83,798	250,492	280,695	89%
Stagecoach Ln Reche Rd	NO	Fallbrook	79,197	12,638	1,300	93,134	134,583	69%
Stagecoach Lane	NO	Fallbrook	15,715	-		15,715	15,715	100%
Via Rancho Parkway	NO	North Cnty Mtro	63,504	-		63,504	69,146	92%
South Santa FE South (Phase II)	NO	North Cnty Mtro	152,724	-		152,724	152,724	100%
Ramona Street Extension	NO	Ramona	174,026	23,433	8,781	206,240	884,530	23%
Per 13th St Maple St	NO	Ramona	70,249	42,156	588	112,993	156,615	72%
Rancho Santa Fe Roundabouts	NO	San Dieguito	573,958	225,037	12,588	811,583	811,583	100%
Fallbrook St Reche Rd Extension	NO	Fallbrook	-	49,155	40,101	89,256	89,256	100%
Grand Total TIF Expenditures			3,231,353	2,427,706	639,692	6,298,751	33,786,065	19%

* Collections for RTCIP NORTH were expended on this project for FY09/10.

** Collections for RTCIP SOUTH were expended on these projects for FY09/10.

*** Collections for RTCIP EAST were expended on these projects for FY09/10.

E.1) REIMBURSEMENT AGREEMENT

The TIF Ordinance has a provision that the County may enter into reimbursement agreements with developers to ensure efficient and timely construction of transportation improvements and/or to ensure compliance with California Environmental Quality Act (CEQA). Currently, the County has one reimbursement agreement with Granite Construction Company for improvements to State Route 76 east of Interstate Highway 15 to Couser Canyon Road and various modifications for State Route 76 and Interstate 15 interchange/ramps. These improvements are on "Regional Facilities" located within the TIF North Region of the County. Granite Construction Company's road improvement is complete, and total amount reimbursed for Fiscal Year 2009-10 is \$6,292,740.

Granite Construction Co., - Reimbursement Agreement:

Total Contract Amount	25,216,022.00
Approved Requested Amount for FY 09/10	18,403,823
Total Reimbursement FY09-10	6,292,740
Amount Eligible for future payment	<u>12,111,083</u>

F) CONSTRUCTION COMMENCEMENT DATE (Gov Code § 66006 (b)(1)(F))

State law requires an identification of an approximate date by which the construction of the public improvement will commence if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement, as identified in paragraph (2) of subdivision (a) of Section 66001, and the public improvement remains incomplete. There are no projects for which sufficient funds have been collected to complete financing at this time.

G) INTERFUND TRANSFER OR LOANS (Gov Code § 66006 (b)(1)(G))

No inter-fund transfers or loans were made.

H) REFUNDS (Gov Code § 66006 (b)(1)(H))

The Department of Public Works (DPW) Director shall, upon written request, refund the fee and any interest earned on the fee, less any administrative costs, to the record property owner or his/her legally appointed representative if a building permit or development permit expired, cancelled, or voided and if any fees paid pursuant to this Division have not been expended and no construction has taken place pursuant to such a permit.

The table below represents the amount of refunds made during fiscal years 2009-10 and 2008-09. The total amount of refunds made in fiscal year 2009-10 was \$40,980.

TABLE H.1 – TIF REFUNDS

TIF AREA	REFUNDS Fiscal Year 2009-2010	REFUNDS Fiscal Year 2008 -2009
NORTH	18,175	74,766
SOUTH	3,350	4,072
EAST	3,651	2,214
ALPINE	-	970
BONSALL	-	-
CENTRAL MOUNTAIN	-	-
COUNTY ISLANDS	-	-
CREST DEHESA	-	-
DESERT	-	-
FALLBROOK	6,156	46,900
JAMUL DULZURA	2,221	-
JULIAN	-	-
LAKESIDE	-	-
MOUNTAIN EMPIRE	-	-
NORTH COUNTY METRO	1,756	21,490
NORTH MOUNTAIN	-	-
OTAY	-	-
PALA PAUMA	-	-
PENDLETON DELUZ	-	13
RAINBOW	-	4,212
RAMONA	2,764	5,988
SAN DIEGUITO	-	-
SPRING VALLEY	-	-
SWEETWATER	-	-
VALLE DE ORO	-	3,196
VALLEY CENTER	2,628	-
FREEWAY RAMP NORTH	126	655
FREEWAY RAMP SOUTH	153	104
FREEWAY RAMP EAST	3	3
	40,980	164,583

38.

I) Regional Transportation Congestion Program (RTCIP) Annual Report - TransNet Extension Ordinance Section 9(A)(B)

On November 2, 2004, San Diego County voters approved a 40-year extension to the TransNet funding program. San Diego Association of Governments (SANDAG) administers this major transportation funding program. Section 9 of the TransNet Extension Ordinance required the County to exact, starting on July 1, 2008, \$2,000 from new developments for each constructed residential unit in unincorporated San Diego County to fund the Regional Transportation Congestion Improvement Program (RTCIP). The County's Transportation Impact Fee (TIF) program is the mechanism for complying with the RTCIP.

The TransNet Extension Ordinance requires annual adjustments, starting July 1, 2009. As required by SANDAG, on February 25, 2009 (4), the Board of Supervisors adopted a resolution making the first annual adjustment to \$2,040. The County is in compliance with this

requirement as the average residential rate collected across all TIF areas was \$4,688 for fiscal year 2009-10. There is a balance of \$34,443 in the RTCIP for fiscal year 2009-10. The table below summarizes the RTCIP fiscal 2009-10 program.

TABLE I.1 – RTCIP PROGRAM

REGIONAL TRANSPORTATION CONGESTION IMPROVEMENT PROGRAM					
ANNUAL REPORT, For Fiscal Year Ending June 30, 2010					
Beginning Balance, July 1, 2009 (Principal/Interest)			\$	8,036	
<u>COLLECTIONS</u>					
Location	No of Residential Units	Amount			
RTCIP North	112	661,500			
RTCIP South	41	129,034			
RTCIP East	26	48,664			
TOTAL	179	839,198	\$	839,198	
<u>REFUND</u>		Principal	Interest		
RTCIP North	3	18,064	111		
RTCIP South	1	3,294	56		
RTCIP East	1	2,195	32		
TOTAL	5	23,553	198	\$	(23,751)
Net Collections: \$ 815,645			Net Balance: \$ 823,483		
RTCIP Average Collection per Residential Unit				Min. Collection	
$\frac{\text{Net collections } 815,645}{\text{\# of Residential units } 174} = 4,688$				2,040	
<u>ADJUSTMENTS</u>					
FY 08-09 RTCIP South:					
** Bradley Ave / SR 67 Project		50,399	\$	50,399	
<u>INTEREST EARNED</u>					
RTCIP North		1,596			
RTCIP South		324			
RTCIP East		121			
TOTAL			2,041	\$	2,041
			Interest & Adjustments	\$	52,440
TOTAL Revenue - Refunds + Interest + Adjustments			\$	875,923	
<u>PROJECT EXPENDITURES</u>					
North					
South Santa Fe North Project		650,086			
South					
Otay Mesa Road Project		143,053			
East					
Dye Rd Extension Project		29,602			
San Vicente Rd So I Project		18,740			
TOTAL*:	\$	841,480			
Ending Balance, June 30, 2010			\$	34,443	

Fees collected and expended for RTCIP were included in each TIF Regions under Residential fees.

**Project location falls under Lakeside local and Fwy Ramp.